

# *Group Financials*

## **RED STAR EXPRESS PLC**

**UNAUDITED FINANCIAL REPORT  
FOR THE PERIOD ENDED 31ST DECEMBER 2016**



**RED STAR EXPRESS PLC****UNAUDITED FINANCIAL HIGHLIGHTS  
FOR THE YEAR ENDED 31TH DECEMBER, 2016****MAJOR STATEMENT OF COMPREHENSIVE INCOME ITEMS**

	<b>GROUP</b>		<b>THE COMPANY</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>DECEMBER</b>	<b>DECEMBER</b>	<b>DECEMBER</b>	<b>DECEMBER</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>N' 000</b>	<b>N' 000</b>	<b>N' 000</b>	<b>N' 000</b>
TURNOVER	5,095,118	4,999,082	2,829,172	2,858,004
PROFIT BEFORE TAX	401,807	359,076	146,670	180,850
PROFIT AFTER TAX	273,229	251,353	99,736	126,595

**MAJOR STATEMENT OF FINANCIAL POSITION ITEMS**

	<b>GROUP</b>		<b>THE COMPANY</b>	
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>
	<b>DECEMBER</b>	<b>MARCH</b>	<b>DECEMBER</b>	<b>MARCH</b>
	<b>N' 000</b>	<b>N' 000</b>	<b>N' 000</b>	<b>N' 000</b>
TOTAL ASSETS	4,141,602	3,756,191	3,020,683	2,949,222
SHAREHOLDERS FUND	2,275,357	2,212,043	1,572,934	1,683,113
SHARE CAPITAL	294,748	294,748	294,748	294,748
SHARE PREMIUM	296,433	296,433	296,433	296,433
REVENUE RESERVE	1,684,176	1,620,862	981,753	1,091,932

**INFORMATION PER 50 KOBO ORDINARY SHARE**

	<b>GROUP</b>		<b>THE COMPANY</b>	
	<b>DECEMBER</b>	<b>MARCH</b>	<b>DECEMBER</b>	<b>MARCH</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>
NO OF ORDINARY SHARES	589,497	589,497	589,497	589,497
NET ASSET (N)	2,275,357	2,212,043	1,572,935	1,683,113
EARNINGS PER SHARE (KOBO)	<b>46</b>	<b>43</b>	<b>17</b>	<b>21</b>
NET ASSET PER SHARE(KOBO)	386	375	267	286

# RED STAR EXPRESS PLC

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2016

	Note	The Group		The Company	
		2016	2016	2016	2016
		DECEMBER	MARCH	DECEMBER	MARCH
		N'000	N'000	N'000	N'000
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Property, plant and equipments	7	1,142,233	882,393	575,866	512,269
Intangible Assets	7	15,755	5,359	15,755	5,345
Long Term Prepayments	12	27,531	14,736	27,531	14,736
Financial Assets Available for Sale	8	568	568	568	568
Investment in subsidiary				284,065	284,065
Deposit for shares		-	-	1,500	1,500
Employee Benefit asset		-	-	-	-
<b>Total Non Current Assets</b>		<b>1,186,087</b>	<b>903,056</b>	<b>905,284</b>	<b>818,483</b>
<b>Current Assets</b>					
Inventories	9	60,864	61,179	56,065	53,541
Trade debtors	10	1,806,260	1,632,215	1,069,923	1,030,136
Current prepayments	12	112,465	73,799	76,991	53,356
Other receivables	11	481,897	450,808	312,687	330,167
Due from related company	26			215,013	178,471
Cash and cash equivalents	13	494,029	635,134	384,721	485,068
<b>Total Current Assets</b>		<b>2,955,515</b>	<b>2,853,135</b>	<b>2,115,400</b>	<b>2,130,739</b>
<b>TOTAL ASSETS</b>		<b>4,141,602</b>	<b>3,756,191</b>	<b>3,020,683</b>	<b>2,949,222</b>
<b>EQUITY AND LIABILITIES</b>					
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Deferred taxation	15	103,793	109,174	31,009	31,009
Term loan: Falling due after 12 Months		70,044			
Employee Benefit Liabilities		68,841	24,781	64,360	24,781
<b>Total Non Current Liabilities</b>		<b>242,678</b>	<b>133,955</b>	<b>95,369</b>	<b>55,790</b>
<b>Current liabilities</b>					
Trade creditors		162,381	118,357	151,170	118,357
Other creditors and accruals	14	1,301,725	1,004,629	826,081	732,339
Due to related companies	26			309,984	201,075
Term loan: Falling due within 12 Months		4,197	30,322		-
Income tax liabilities	6	155,263	256,885	65,144	158,548
<b>Total Current Liabilities</b>		<b>1,623,566</b>	<b>1,410,193</b>	<b>1,352,378</b>	<b>1,210,319</b>
<b>TOTAL LIABILITIES</b>		<b>1,866,244</b>	<b>1,544,148</b>	<b>1,447,748</b>	<b>1,266,109</b>
<b>Equity</b>					
Share capital		294,748	294,748	294,748	294,748
Share premium		296,433	296,433	296,433	296,433
General reserve		1,684,176	1,620,862	981,753	1,091,932
Total Equity		2,275,357	2,212,043	1,572,934	1,683,113
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,141,602</b>	<b>3,756,191</b>	<b>3,020,683</b>	<b>2,949,222</b>

The consolidated financial statements on pages - to - were approved by the Board of Directors on ----- and signed on its behalf by:



**Sola Obabori**  
Group Managing Director  
FRC/2016/IODN/00000015290



**Babura Auwalu Badamasi**  
Chief Financial Officer  
FRC/2016/ICAN/00000014402

The accounting policies on pages - to - and the explanatory notes on pages - to - form part of these consolidated financial statements.



# RED STAR EXPRESS PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST DECEMBER 2016

	Note	The Group		The Company	
		2016	2015	2016	2015
		DECEMBER	DECEMBER	DECEMBER	DECEMBER
		<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>
Turnover	1	5,095,118	4,999,082	2,829,172	2,858,004
Cost of sales	3	(3,619,240)	(3,670,536)	(1,939,865)	(1,997,396)
Gross profit		1,475,878	1,328,545	889,307	860,608
Other income	2	27,831	4,700	3,616	156
		1,503,709	1,333,245	892,924	860,764
Administrative and Other Operating Expenses	3	(1,041,635)	(899,941)	(699,750)	(621,602)
Staff Gratuity	4	(14,379)	(9,276)	(9,911)	(6,932)
Depreciation & Amortisation	5	(51,092)	(61,981)	(46,864)	(57,001)
Impairment Loss		-	-	-	-
Effect of change in estimate useful life of PPE		-	-	-	-
<b>Total operating Expenses</b>		<b>(1,107,105)</b>	<b>(971,197)</b>	<b>(756,525)</b>	<b>(685,536)</b>
Finance Income		11,064	5,813	10,272	5,622
Finance Costs		(5,862)	(8,786)	-	-
<b>Net Finance Costs</b>		<b>5,203</b>	<b>(2,973)</b>	<b>10,272</b>	<b>5,622</b>
<b>Profit Before interest and Tax</b>		<b>401,807</b>	<b>359,076</b>	<b>146,670</b>	<b>180,850</b>
Interest and similar charges		-	-	-	-
Provision for diminution in investments		-	-	-	-
<b>Profit Before Income Tax</b>		<b>401,807</b>	<b>359,076</b>	<b>146,670</b>	<b>180,850</b>
Income Tax	6	(128,578)	(107,723)	(46,934)	(54,255)
<b>Profit from continuing operation</b>		<b>273,229</b>	<b>251,353</b>	<b>99,736</b>	<b>126,595</b>
<b>Profit attributable to:</b>					
Owners of the company		273,229	251,353	99,736	126,595
Non controlling Interests		-	-	-	-
<b>Profit for the period</b>		<b>273,229</b>	<b>251,353</b>	<b>99,736</b>	<b>126,595</b>
<b>Earnings per share</b>					
Basic earnings per share (kobo)	27	46	43	17	21
Diluted earnings per share (kobo)					
<b>Number of ordinary shares in issue</b>	27	<b>589,497</b>	<b>589,497</b>	<b>589,497</b>	<b>589,497</b>

**RED STAR EXPRESS PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2016**

	The Group		The Company	
	2016 DECEMBER N'000	2015 DECEMBER N'000	2016 DECEMBER N'000	2015 DECEMBER N'000
<b>SHARE CAPITAL</b>				
<b>Authorised</b> 1,000,000,000 ordinary shares of 50 kobo each	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Issued and fully paid</b> 589,496,760 ordinary shares of 50 kobo each	<b>294,748</b>	<b>294,748</b>	<b>294,748</b>	<b>294,748</b>
<b>GENERAL RESERVE</b>				
At the beginning of the year	1,620,862	1,469,730	1,091,932	1,011,446
Profit for the period	273,229	251,353	99,736	126,595
Transfer to RSE Foundation	(3,590)	-	(3,590)	-
Dividend declared (Note 18.2)	(206,324)	-	(206,324)	-
At the end of the year	<b>1,684,176</b>	<b>1,721,083</b>	<b>981,753</b>	<b>1,138,041</b>

RED STAR EXPRESS PLC

FOR THE PERIOD ENDED 31ST DECEMBER 2016

NOTE	GROUP		THE COMPANY	
	2016	2015	2016	2015
	DECEMBER N	DECEMBER N	DECEMBER N	DECEMBER N
Cash flows from operating activities:				
Cash receipts from customers	4,929,106	5,025,802	3,112,741	3,559,937
Payment to suppliers and employees	(4,320,023)	(4,509,240)	(2,770,705)	(3,223,101)
VAT (NET)	(85,906)	(120,654)	(68,701)	(104,845)
Taxes paid	(76,009)	(27,245)	(28,045)	(15,281)
	-	-	-	-
<b>Net cash provided by operating activities</b>	<b>447,168</b>	<b>368,663</b>	<b>245,290</b>	<b>216,711</b>
<b>Cash flows from investing activities:</b>	-	-	-	-
Interest received	11,064	5,813	10,272	562
Dividend received	-	-	-	-
Proceeds from sale of PPE	5,942	766	5,942	766
Purchase of Intangible assets	(15,398)	(230)	(15,398)	(80)
Acquisition of PPE	(442,247)	(91,657)	(160,761)	(51,241)
Increase in investment	-	-	-	-
<b>Net cash provided by investing activities</b>	<b>(440,638)</b>	<b>(85,308)</b>	<b>(159,945)</b>	<b>(49,992)</b>
<b>Cash flows from financing activities:</b>	-	-	-	-
Proceeds from issue of share capital	-	-	-	-
Proceeds from Long term borrowings	72,000	-	-	-
Proceeds of Share premium	-	-	-	-
Term Loan repayment	(28,081)	(24,382)	-	-
Interest Paid	(5,862)	(8,786)	-	-
Dividend paid	(185,691)	(193,780)	(185,691)	(193,780)
<b>Net cash provided by financing activities</b>	<b>(147,634)</b>	<b>(226,948)</b>	<b>(185,691)</b>	<b>(193,780)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(141,105)</b>	<b>56,407</b>	<b>(100,347)</b>	<b>(27,062)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>635,134</b>	<b>483,352</b>	<b>485,068</b>	<b>375,976</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>494,029</b>	<b>539,759</b>	<b>384,721</b>	<b>348,915</b>

Notes to the Accounts (Statement Of Comprehensive Income)

FOR THE PERIOD ENDED 31ST DECEMBER 2016

	The Group		The Company	
	2016	2015	2016	2015
	DECEMBER	DECEMBER	DECEMBER	DECEMBER
	N'000	N'000	N'000	N'000
<b>1 TURNOVER</b>				
Turnover	5,095,118	4,999,082	2,829,172	2,858,004
	5,095,118	4,999,082	2,829,172	2,858,004
<b>2 OTHER OPERATING INCOME</b>				
<b>a. Other Income</b>				
Insurance Claim	1,816	4,700	1,625	156
Profit on Disposals of fixed Assets	192	-	192	-
Exchange gain	18,780	-	-	-
Other Sundry income	4,749	-	-	-
Bad debt recovered	2,295	-	1,800	-
Rent	-	-	-	-
	27,831	4,700	3,616	156
<b>b. Investment Income</b>				
Related Company Dividend	-	-	-	-
	-	-	-	-
<b>OTHER OPERATING INCOME</b>	<b>27,831</b>	<b>4,700</b>	<b>3,616</b>	<b>156</b>
	The Group		The Company	
	2016	2015	2016	2015
	DECEMBER	DECEMBER	DECEMBER	DECEMBER
	N'000	N'000	N'000	N'000
<b>3 COST OF SALES</b>				
Staff cost	892,829	899,156	414,562	428,609
Pension	48,912	47,890	19,871	19,839
Gratuity	57,514	37,103	39,644	27,729
Medical	121,230	115,258	39,158	39,066
Training	13,886	18,982	8,793	10,002
International delivery costs	770,356	610,102	591,746	468,727
Domestic freight	615,160	681,778	246,988	361,561
Vehicle running costs	485,766	541,707	135,368	139,986
Agent costs	140,329	149,256	139,717	149,056
Local transport	135,310	193,327	104,229	156,153
Clearing and documentation charges	46,575	82,189	33,062	41,857
Rents ant rates of outlets	74,768	59,707	61,675	41,737
Insurance	31,112	27,576	15,135	14,083
Depreciation	130,565	133,158	49,534	47,045
Repairs and maintenance	54,928	73,345	40,385	51,945
	3,619,240	3,670,536	1,939,865	1,997,396



	The Group		The Company	
	2016	2015	2016	2015
	DECEMBER	DECEMBER	DECEMBER	DECEMBER
	N'000	N'000	N'000	N'000
<b>Administration Costs</b>				
<b>3.1 Administrative &amp; other Expenses</b>				
Repairs and maintenance	70,074	69,507	60,469	62,593
Transportation and travelling costs	43,585	38,091	34,714	28,108
Legal and professional charges	69,410	65,858	54,133	55,931
Publicity and promotion	30,373	28,499	18,861	17,089
Communication and telephone	45,242	45,448	41,244	40,498
Printing and stationery	75,186	48,823	60,601	37,208
Subscriptions and donations	33,029	20,709	23,293	16,108
Audit fee	13,775	12,567	9,750	9,750
Bank Charges	9,924	13,196	7,309	6,806
Medical	30,307	28,815	9,789	9,766
Power and water	101,316	70,693	99,144	69,735
Rent and rates	-	-	-	-
Licence and registration	-	-	-	-
Office protection services	31,682	28,348	21,232	19,461
Staff costs	363,977	309,505	179,233	167,172
Hotel accommodation and entertainment	28,639	30,813	24,880	25,993
Insurance	7,778	6,894	3,784	3,521
Training	3,472	4,745	2,198	2,500
Newspaper and periodicals	2,786	1,439	2,487	949
Bad debts written off/Provision for doubtful debts	72,283	62,826	42,908	40,384
Provisions for diminution in investment	592	-	592	-
Loss on disposal of Non Current Assets	-	3,244	-	3,244
Annual general meeting expenses	8,203	9921	3,129	4,784
	<b>1,041,635</b>	<b>899,941</b>	<b>699,750</b>	<b>621,602</b>
<b>4.0 Gratuity</b>				
Gratuity	14,379	9,276	9,911	6,932
	<b>14,379</b>	<b>9,276</b>	<b>9,911</b>	<b>6,932</b>
<b>5.0 Depreciation &amp; Amortisation</b>				
Amortisation of Intangible Assets	4,998	5,536	4,984	5,411
Depreciation charge	46,094	56,445	41,880	51,590
	<b>51,092</b>	<b>61,981</b>	<b>46,864</b>	<b>57,001</b>
<b>Finance Income/ Finance Costs</b>				
Interest Received	11,064	5,813	10,272	5,622
Finance Cost - Interest payment on lease rental:	5,862	8,786	-	-
	<b>5,203</b>	<b>(2,973)</b>	<b>10,272</b>	<b>5,622</b>

RED STAR EXPRESS PLC

FOR THE PERIOD ENDED 31ST DECEMBER 2016

	The Group		The Company	
	2016	2015	2016	2015
	DECEMBER	DECEMBER	DECEMBER	DECEMBER
<b>6. TAXATION</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>.1 Statement of Comprehensive Income</b>				
Income tax	128,578	107,723	46,934	54,255
Education tax	-	-	-	-
Irrecoverable WHT	-	-	-	-
	128,578	107,723	46,934	54,255
<b>Deferred taxation (Note 15)</b>				
Charge for the year	-	-	-	-
Write back for the year	-	-	-	-
	<b>128,578</b>	<b>107,723</b>	<b>46,934</b>	<b>54,255</b>

	The Group		The Company	
	2016	2016	2016	2016
	DECEMBER	MARCH	DECEMBER	MARCH
<b>.2 Statement of Financial Position</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
At the beginning of the year	256,885	241,977	158,548	134,111
Charge for the year	128,578	234,595	46,934	140,045
Tax Back Duty Audit Assessment	-	35,919	-	32,104
Payments during the year	(76,009)	(53,886)	(28,045)	(15,281)
Withholding tax credit utilised	(154,191)	(201,720)	(112,293)	(132,431)
At the end of the year	<b>155,263</b>	<b>256,885</b>	<b>65,144</b>	<b>158,548</b>

.3 The charge for income tax in these consolidated financial statements is based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 as amended to date.

<b>SCHEDULE OF PROPERTY PLANT AND EQUIPMENT.</b>										
31ST DECEMBER, 2016										
<b>Company</b>										
Cost	Land	Buildings	Plant & Machinery	Motor Vehicles	MOTOR CYCLES	COMPUTER & OTHER EQUIPMENT	Furniture, Fittings & Equip	WORK IN PROGRESS	Total	INTANGIBLES
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>At 1 April 2016</b>	89,647	292,786	53,740	193,783	74,515	247,917	36,517	-	<b>988,904</b>	<b>45,207</b>
Addition	500	2,060	6,880	99,820	8,748	26,538	5,924	10,290	<b>160,761</b>	<b>15,398</b>
Reclassifications	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(9,200)	-	-	-	-	<b>(9,200)</b>	-
Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31st December, 2016</b>	<b>90,147</b>	<b>294,846</b>	<b>60,620</b>	<b>284,402</b>	<b>83,263</b>	<b>274,455</b>	<b>42,441</b>	<b>10,290</b>	<b>1,140,465</b>	<b>60,605</b>
<b>Depreciation and impairment</b>										
<b>At 1 April 2016</b>	-	31,963	26,326	141,098	62,849	188,869	25,530	-	<b>476,635</b>	<b>39,866</b>
Depreciation charge for the year	-	7,743	5,214	33,733	8,058	33,523	3,143	-	<b>91,414</b>	<b>4,984</b>
Disposals	-	-	-	(3,450)	-	-	-	-	<b>(3,450)</b>	-
Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31st December, 2016</b>	-	<b>39,706</b>	<b>31,540</b>	<b>171,381</b>	<b>70,907</b>	<b>222,392</b>	<b>28,673</b>	-	<b>564,599</b>	<b>44,850</b>
<b>Net book value</b>										
<b>At 31st December, 2016</b>	<b>90,147</b>	<b>255,140</b>	<b>29,080</b>	<b>113,021</b>	<b>12,356</b>	<b>52,063</b>	<b>13,768</b>	<b>10,290</b>	<b>575,866</b>	<b>15,755</b>
<b>At 31 March 2016</b>	<b>89,647</b>	<b>260,823</b>	<b>27,414</b>	<b>52,685</b>	<b>11,666</b>	<b>59,048</b>	<b>10,987</b>	-	<b>512,269</b>	<b>5,345</b>
<b>SCHEDULE OF PROPERTY PLANT AND EQUIPMENT.</b>										
31ST DECEMBER, 2016										
<b>Group</b>										
Cost	Land	Buildings	Plant & Machinery	Motor Vehicles	MOTOR CYCLES	COMPUTER & OTHER EQUIPMENT	Furniture, Fittings & Equip	WORK IN PROGRESS	Total	INTANGIBLES
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>At 1 April 2016</b>	167,043	429,302	62,114	551,584	342,867	259,056	58,034	-	<b>1,869,999</b>	<b>45,707</b>
Addition	500	6,570	6,880	327,243	37,179	29,373	6,595	27,907	<b>442,247</b>	<b>15,398</b>
Reclassifications	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(9,200)	-	-	-	-	<b>(9,200)</b>	-
Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31st December, 2016</b>	<b>167,543</b>	<b>435,872</b>	<b>68,994</b>	<b>869,627</b>	<b>380,046</b>	<b>288,429</b>	<b>64,629</b>	<b>27,907</b>	<b>2,303,046</b>	<b>61,105</b>
<b>Depreciation and impairment</b>										
<b>At 1 April 2016</b>	-	46,991	31,706	339,147	329,576	195,878	44,308	-	<b>987,606</b>	<b>40,348</b>
Depreciation charge for the year	-	10,348	6,012	78,428	41,788	35,535	4,547	-	<b>176,659</b>	<b>4,998</b>
Disposals	-	-	-	(3,450)	-	-	-	-	<b>(3,450)</b>	-
Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31st December, 2016</b>	-	<b>57,339</b>	<b>37,718</b>	<b>414,125</b>	<b>371,364</b>	<b>231,413</b>	<b>48,855</b>	-	<b>1,160,815</b>	<b>45,346</b>
<b>Net book value</b>										
<b>At 31st December, 2016</b>	<b>167,543</b>	<b>378,533</b>	<b>31,276</b>	<b>455,502</b>	<b>8,682</b>	<b>57,015</b>	<b>15,774</b>	<b>27,907</b>	<b>1,142,233</b>	<b>15,759</b>
<b>At 31 March 2016</b>	<b>167,043</b>	<b>382,311</b>	<b>30,408</b>	<b>212,437</b>	<b>13,291</b>	<b>63,178</b>	<b>13,726</b>	-	<b>882,393</b>	<b>5,360</b>

# RED STAR EXPRESS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2016

		The Group		The Company	
		2016 DECEMBER	2016 MARCH	2016 DECEMBER	2016 MARCH
		N'000	N'000	N'000	N'000
<b>8.</b>	<b>FINANCIAL ASSETS AVAILABLE FOR SALE</b>				
<b>a.</b>	<b>Quoted Equities</b>				
	<b>Nemeith International Pharmaceuticals Plc</b>				
	822,743 ordinary shares of 50 Kobo each				
	Market value - N929,700 (2012: N1,522,075).	2,057	2,057	2,057	2,057
		2,057	2,057	2,057	2,057
	Provision for diminution in investment	(1,489)	(1,489)	(1,489)	(1,489)
		568	568	568	568
		-	-	-	-
<b>8.2</b>	<b>Investment in subsidiaries:</b>				
	<b>% Holding</b>				
	Investment in Red Star Freight Limited	100		10,000	10,000
	Investment in Red Star Supports Services Lim	100		49,065	49,065
	Investment in Red Star Logistics Limited	100		225,000	225,000
				284,065	284,065
		<b>568</b>	<b>568</b>	<b>284,633</b>	<b>284,633</b>
<b>9</b>	<b>STOCKS</b>				
	Stationeries and packaging materials	50,590	57,692	45,791	50,395
	Fuel and oil	10,273	3,146	10,273	3,146
	Spare parts	-	341	-	-
	Provision for obsolete stock	-	-	-	-
		<b>60,864</b>	<b>61,179</b>	<b>56,065</b>	<b>53,541</b>
<b>10</b>	<b>TRADE DEBTORS</b>				
	Trade debtors	1,929,455	1,755,410	1,175,087	1,135,300
	Provision for doubtful debts	(123,195)	(123,195)	(105,165)	(105,164)
		<b>1,806,260</b>	<b>1,632,215</b>	<b>1,069,923</b>	<b>1,030,136</b>

# RED STAR EXPRESS PLC

FOR THE PERIOD ENDED 31ST DECEMBER 2016

	<b>The Group</b>		<b>The Company</b>	
	<b>2016 DECEMBER N'000</b>	<b>2016 MARCH N'000</b>	<b>2016 DECEMBER N'000</b>	<b>2016 MARCH N'000</b>
<b>11 OTHER RECEIVABLES</b>				
WHT Receivable from Customers	191,621	177,076	132,647	148,315
WHT Receipts Received	20,377	32,860	20,377	32,860
Other debtors	47,538	7,179	47,774	7,179
Staff car advance	63,778	86,069	47,865	82,574
Other staff advance	158,584	147,624	64,025	59,239
				-
	<b>481,897</b>	<b>450,808</b>	<b>312,687</b>	<b>330,167</b>
<b>12 PREPAYMENTS</b>				
Long term Prepayments	27,531	14,736	27,531	14,736
Current Prepayments	112,465	73,799	76,991	53,356
	<b>139,996</b>	<b>88,535</b>	<b>104,522</b>	<b>68,092</b>
<b>13. Cash, Bank balances and other equivalents</b>				
Cash balances	984	2,701	905	365
Cash-in-transit	55,908	42,615	52,753	42,615
Bank balances	146,338	421,370	40,265	294,124
Business Deposits	290,798	168,448	290,798	147,964
	494,029	635,134	384,721	485,068
	<b>494,029</b>	<b>635,134</b>	<b>384,721</b>	<b>485,068</b>
<b>14. OTHER CREDITORS AND ACCRUALS</b>				
Accruals	460,831	231,674	126,946	94,337
Customers deposit		60,902		60,902
Agents clearing charges	431,161	263,048	431,161	263,048
Union dues	165	88	165	-
Withholding Taxes	57,638	63,525	52,704	55,753
Value added tax	193,028	218,050	106,087	155,852
Staff pension accruals (Note 14.1)	18,535	25,066	4,952	4,979
Unclaimed Dividend	92,034	79,296	92,034	79,296
Other creditors	48,333	62,980	12,032	18,178
	<b>1,301,725</b>	<b>1,004,629</b>	<b>826,081</b>	<b>732,339</b>
<b>14.1 Staff pension accruals</b>				
At the beginning of the year	25,066	54,947	4,979	7,422
Provision for the year	115,431	54,569	47,846	30,566
Payments and remittances	(121,963)	(84,450)	(47,874)	(33,009)
At the end of the year	<b>18,534</b>	<b>25,066</b>	<b>4,952</b>	<b>4,979</b>
<b>15. DEFERRED TAXATION</b>				
At the beginning of the year	109,174	132,139	31,009	33,873
Charge for the year		9,870		9,870
Write-back	(5,381)	(32,834)	-	(12,734)
At the end of the year	<b>103,793</b>	<b>109,174</b>	<b>31,009</b>	<b>31,009</b>

# RED STAR EXPRESS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST DECEMBER, 2016

	<u>The Group</u>		<u>The Company</u>	
	<b>2016 DECEMBER N'000</b>	<b>2015 DECEMBER N'000</b>	<b>2016 DECEMBER N'000</b>	<b>2015 DECEMBER N'000</b>
<b>19. RECONCILIATION OF NET PROFIT AFTER TAXATION TO CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Net profit after taxation	273,229	251,353	99,736	126,595
<b>Adjustment to reconcile net income to net cash provided by operating:</b>				
Depreciation	181,657	193,172	96,398	103,813
Interest income	(11,064)	(5,813)	(10,272)	(5,622)
Interest paid	5,862	8,786	-	-
Provision for diminution in investments	-	-	-	-
(Profit)/loss on disposal of fixed assets	(192)	3,244	(192)	3,244
Loss on disposal of investment	-	-	-	-
Adjustment to investment	-	-	-	-
Adjustment to fixed assets	-	-	-	-
Dividend received	-	-	-	-
<b>Changes in assets and liabilities:</b>				
(Increase)/decrease in stocks	315	(7,020)	(2,524)	(3,827)
(Increase)/decrease in trade debtors	(174,045)	30,168	(39,787)	152,756
(Increase)/Decrease in other debtors and prepayme	(69,755)	(32,822)	(6,155)	(18,559)
Decrease/(increase) in due from related companies			(36,542)	(79,393)
Decrease/(increase) in term Loans	(43,919)	24,382	-	-
(Decrease)/increase in trade creditors	44,024	8,730	32,813	8,022
Increase/(decrease) in other creditors and accruals	297,096	(52,938)	93,742	(170,090)
Increase/(decrease) in due to related companies			108,909	169,019
(Decrease)/increase in taxation	(101,622)	(77,721)	(93,404)	(61,353)
(Decrease)/increase in deferred taxation	5,381	5,381	-	-
Increase/(decrease) in staff Pension			-	-
Increase/(decrease) in employee benefits	44,060	19,760	39,579	(7,894)
	<b>173,939</b>	<b>117,310</b>	<b>145,554</b>	<b>90,117</b>
Net cash provided by operating activities	<b>447,168</b>	<b>368,663</b>	<b>245,290</b>	<b>216,711</b>

# RED STAR EXPRESS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2016

	The Group		The Company	
	2016 DECEMBER	2015 DECEMBER	2016 DECEMBER	2015 DECEMBER
	N'000	N'000	N'000	N'000
<b>20. RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>				
Cash balances	984	524	905	276
Cash-in-transit	55,908	32,357	52,753	32,402
Bank balances	146,338	399,072	40,265	213,542
Short term deposits	290,798	107,806	290,798	102,695
	<b>494,029</b>	<b>539,759</b>	<b>384,721</b>	<b>348,915</b>
<b>21. EMPLOYMENT AND EMPLOYEES</b>				
<b>.1 Staff</b>				
Average number of persons employed in the financial year under review and the staff costs were as follows:	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Managerial	7	12	4	9
Senior staff	39	42	31	34
Supervisors	217	238	60	69
Junior staff	1,564	1,556	163	169
	<b>1,827</b>	<b>1,848</b>	<b>258</b>	<b>281</b>
<b>Staff costs:</b>				
Salaries, wages and other benefits	1,154,373	1,208,662	371,504	595,782
Staff pension and gratuity	135,131	94,269	43,477	54,500
	<b>1,289,504</b>	<b>1,302,931</b>	<b>414,981</b>	<b>650,282</b>
<b>.2 Employees remunerated at higher rates, excluding allowances:</b>				
	<b>N</b>	<b>N</b>	<b>Number</b>	<b>Number</b>
	140,001 - 210,000	210,000	1,445	1,443
	210,001 - 360,000	360,000	329	348
	360,000 - 900,000	900,000	44	44
	900,001 - 1,700,000	1,700,000	6	11
	1,700,001 - 2,011,000	2,011,000	3	2
			<b>1,827</b>	<b>1,848</b>
			<b>258</b>	<b>281</b>

# RED STAR EXPRESS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2016

### 22. Compensation of key management personnel of Red Star Express

	The Group		The Company	
	2016 DECEMBER	2016 MARCH	2016 DECEMBER	2016 MARCH
	N'000	N'000	N'000	N'000
.1 Fees and sitting Allowances	6,176	8,235	6,176	8,235
Executive compensation	5,861	7,443	5,861	7,443
Other Directors and benefits	12,866	16,338	12,866	16,338
	<b>24,904</b>	<b>32,016</b>	<b>24,904</b>	<b>32,016</b>

Fees and emoluments disclosed above include amount paid to:

	N'000	N'000	N'000	N'000
Chairman	1,320	1,760	1,320	1,760
The highest paid Director earned	9,919	13,225	9,919	13,225

.2 The number of Directors excluding the Chairman whose emoluments were within the following ranges were:

N	N	Number	Number	Number	Number
Below N1,000,000		-	-	-	-
1,000,000 - 2,000,000		4	4	4	4
2,000,001 - 3,000,000		-	-	-	-
3,000,001 and above		3	2	3	2

### 23. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

#### .1 Contingent liabilities

As at 31st December 2016, there were no contingent liabilities. The Directors are of the opinion that, based on the Solicitors' advice, no material loss will arise from them. Consequently, no provision has been made in these consolidated financial statements for the amount.

#### .2 Financial commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Company's state of affairs have been taken into account in the preparation of these consolidated financial statements under review.

#### .3 Performance Bond

The Company accepted a performance bond of N50 million (2012- N50 million) in favour of Nigeria Customs Service.



# RED STAR EXPRESS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2016

### 24. SUPPLIERS

The Company's significant suppliers are mainly local. Some of the major suppliers are:

Kungo-Rock Investments Limited  
Chita Express Limited  
Aegis Core Limited  
Knight Pride Int'l Limited  
Air France  
British Airways

The Company is not associated with the suppliers.

### 25. POST BALANCE SHEET EVENTS

The Directors are of the opinion that there were no significant post balance sheet events which would have had any material effect on the balance sheet and the profit for the year ended on that date, which have not been adequately provided for or disclosed in the consolidated financial statements.

### 26. RELATED PARTY TRANSACTIONS

#### a. Parent and ultimate controlling party

The consolidated financial statements include the financial statements of Red Star Express Plc and the subsidiaries listed below

	%
Red Star Retirement Benefit Scheme	100
Red Star Freight Limited	100
Red Star Logistics Limited	100
Red Star Supports Services Limited	100

#### b. The companies receive payments from customers on behalf of each other and these are transferred accordingly. The balances due from/to the related companies which are disclosed in the balance sheet are as follows:

	<u>The Group</u>		<u>The Company</u>	
	2016 DECEMBER N'000	2016 MARCH N'000	2016 DECEMBER N'000	2016 MARCH N'000
<b>Due from related company</b>				
Red Star Freight Limited			49,210	79,348
Red Star Logistics Limited			165,802	99,123
			<b>215,013</b>	<b>178,471</b>
<b>Due to related companies</b>				
Red Star Supports Services Limited			309,984	201,075
			<b>309,984</b>	<b>201,075</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST DECEMBER 2016

## 27 EARNINGS PER SHARE

## Basic Earnings Per Share

The calculation of basic earnings per share at 31st December 2016 for the company was based on the profit attributable to ordinary shareholders of N99.7 million and a weighted average number of ordinary shares outstanding of 589.5 million for the company. While the group EPS calculation was based on the profit attributable to the group shareholders of N273.2 million and a weighted average number of ordinary shares outstanding of 589.5 million shares

Profit for the year attributable to shareholders

Weighted Average number of ordinary shares outstanding

Earnings per share (Kobo)

The Group		The Company	
2016	2015	2016	2015
DECEMBER	DECEMBER	DECEMBER	DECEMBER
N'000	N'000	N'000	N'000
273,229	251,353	99,736	126,595
Number	Number	Number	Number
589,497	589,497	589,497	589,497
46	43	17	21

## 28 COMPARATIVE FIGURES

Certain prior year's figures have been reclassified in line with current year's presentation for more meaningful comparison.

## 29 Segment Information

## The Group

Segment  
Statement of

Segment Statement of Comprehensive Income	Courier		Logistics		Freight		Support Services		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	DECEMBER	DECEMBER	DECEMBER	DECEMBER	DECEMBER	DECEMBER	DECEMBER	DECEMBER	DECEMBER	DECEMBER
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	2,829,172	2,858,004	874,887	797,259	277,911	242,044	1,113,147	1,101,774	5,095,118	4,999,082
Total Revenue	2,829,172	2,858,004	874,887	797,259	277,911	242,044	1,113,147	1,101,774	5,095,118	4,999,082
Cost of Sales	(1,939,865)	(1,997,396)	(713,627)	(626,524)	(209,149)	(198,491)	(837,560)	(897,611)	(3,619,240)	(3,670,536)
Other Income	3,616	156	23,530	4,477	495	-	784	258	27,831	4,700
Depreciation & Amortisation	(46,864)	(57,001)	(3,649)	(4,564)	(251)	(95)	(328)	(321)	(51,092)	(61,981)
Other Operating Expenses	(709,661)	(628,535)	(94,911)	(81,089)	(33,924)	(22,925)	(134,582)	(120,791)	(1,056,013)	(909,216)
Finance Income	10,272	5,622	200	-	-	-	-	-	11,064	5,813
Finance Charges	-	-	(4,203)	(9,905)	292	(2039)	(3,981)	(3,232)	(5,862)	(8,786)
Profit before income tax	146,670	180,851	82,227	79,654	35,374	18,495	137,479	80,077	401,807	359,076
Income tax expense	(46,934)	(54,255)	(26,313)	(25,489)	(11,320)	(5,918)	(43,993)	(25,625)	(128,578)	(107,723)
Profit after tax	99,736	126,596	55,914	54,165	24,054	12,577	93,486	54,452	273,229	251,353
Segment Statement of Financial Position	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016
	DECEMBER	MARCH	DECEMBER	MARCH	DECEMBER	MARCH	DECEMBER	DECEMBER	DECEMBER	DECEMBER
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Non Current Assets	905,284	818,483	358,068	323,715	9,332	522	199,134	45,903	1,186,087	1,050,624
Current assets	2,115,400	2,130,739	522,487	542,093	233,768	187,479	455,263	366,964	2,955,515	2,769,018
<b>Total Assets</b>	<b>3,020,683</b>	<b>2,949,222</b>	<b>880,556</b>	<b>865,809</b>	<b>243,100</b>	<b>188,001</b>	<b>654,397</b>	<b>412,867</b>	<b>4,141,602</b>	<b>3,819,642</b>
Ordinary Share Capital	294,748	294,748	225,000	225,000	10,000	10,000	49,065	49,065	294,748	294,748
Share Premium	296,433	296,433	-	-	-	-	-	-	296,433	296,433
Retained Earnings	981,753	1,091,932	353,694	297,780	87,419	63,365	326,339	232,853	1,684,176	1,469,730
Non Current Liabilities	95,369	55,790	59,970	65,129	-	98	12,716	27,657	242,678	188,536
Current liabilities	1,352,378	1,210,319	240,149	277,900	145,681	114,539	266,222	103,293	1,623,566	1,570,195
<b>Total Equity &amp; Liabilities</b>	<b>3,020,683</b>	<b>2,949,222</b>	<b>878,813</b>	<b>865,809</b>	<b>243,100</b>	<b>188,001</b>	<b>654,342</b>	<b>412,867</b>	<b>4,141,602</b>	<b>3,819,642</b>